

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6687

BILL NUMBER: HB 1240

NOTE PREPARED: Mar 17, 2006

BILL AMENDED: Mar 14, 2006

SUBJECT: Statewide Testing Program; Mentor Teacher Stipends.

FIRST AUTHOR: Rep. Behning

FIRST SPONSOR: Sen. Lubbers

BILL STATUS: Enrolled

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: *Statewide Testing Program:* The bill requires the Department of Education and the State Board of Education, before November 1, 2006, to review the current statewide student testing program and develop a long-term plan for student testing. The bill sets forth objectives for the program review and plan development.

Mentor Teacher Stipends: The bill provides that mentor teacher stipends may be paid from certain appropriations to the Department of Education or from private funds donated to the Department.

ISTEP Grading Within Indiana: The bill repeals a provision requiring the grading of certain parts of the ISTEP assessment to take place in Indiana.

Effective Date: Upon passage.

Explanation of State Expenditures: *Statewide Testing Program:* Under the bill, the Department of Education and the State Board of Education would review the current ISTEP testing program and develop a long-term plan for future student assessments. The State Board would be required to approve and submit the findings to the Budget Committee, the Legislative Council (by electronic format), and the Office of Management and Budget. The impact of this provision to state expenditures would depend on the resources needed to develop the plan.

The plan would be required to be submitted no later than October 31, 2006. The plan would include details on the proposed state assessments including: greater test-taking efficiency, reduced testing time, cost reductions

to administer, prompt results, measurement of student growth, transition to online testing, and assessing writing skills. The report would also have to include cost estimates for any proposed testing program. The bill would give the option of a contract offer to a testing entity for student testing during the 2006-2007 school year. (The current ISTEP contract with CTB-McGraw Hill is set to expire June 30, 2006.)

The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Background: As of February 6, 2006, the Department of Education had 84 vacancies with salaries valued at approximately \$2.6 M. The Department reverted \$0.9 M in FY 2005 to the state General Fund.

Mentor Teacher Stipends: The total appropriation for the Division of Professional Standards of the Department of Education is \$3,716,502 per year for FY 2006 and FY 2007. P.L. 246- 2005 (the current budget bill) included language that the appropriations to the Division of Professional Standards did not include funds to pay stipends for mentor teachers. The bill allows mentor teacher stipends to be paid from this appropriation. This could impact General Fund reversions for FY 2006 and FY 2007, but expenditures would still remain within the original appropriation limit. The bill also allows stipends to be paid from funds provided to DOE by private donors.

Background: In FY 2006, the Professional Standards Board was changed to the Division of Professional Standards of the Department of Education. The Professional Standards Board on June 30, 2005, reverted about \$2.36 M.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Education; State Board of Education; State Budget Committee; Legislative Council; Office of Management and Budget.

Local Agencies Affected:

Information Sources: Department of Education.

Fiscal Analyst: Chris Baker, 317-232-9851.